Business Case for Modernising Local Government in Buckinghamshire

Executive Summary

Buckinghamshire Council

September 2016
Buckinghamshire is an attractive county. It is a successful place to do business, contributing £14.8bn in Gross Valued Added (GVA) to UK economy and ranking 3rd in terms of GVA productivity. Many parts of the county enjoy low unemployment, higher than average household incomes and good health outcomes, yet we also have a number of challenges. This paper sets out why there is a compelling case for change.

Change is essential for future growth in Buckinghamshire

The profile of Buckinghamshire is set to change significantly over the next twenty years. Emerging local plans identify a need for 50,000 new homes by 2033. Buckinghamshire is becoming even more multi-cultural and diverse. The population over the age of 65 is increasing, as are levels of disability, leading to significant pressures on services.

Past success is no longer a guarantee of continued prosperity. The need for change has become all the more apparent in recent years, a period that has seen rapid changes in attitudes and expectations amongst residents and businesses alike, together with rapid increases in demand. Future public services need to be fit to meet these challenges.

Services provided by the public sector are increasingly unaffordable, particularly in the context of fiscal constraint. By the end of 2016/17, the county council will have delivered £145m savings since April 2010. Collectively, the county and district councils have to deliver further savings in excess of £30m by 2020. Traditional approaches are not sustainable.

The role of the public sector is being transformed, driven by a growing demand for a new form of civic leadership that works with communities to realise a shared vision for their future, whilst being a powerful advocate in partnership and sub-regional arrangements. Residents want better quality services that are easier to access, and they want a real say in services and decisions that affect them. Ambitious town and parish councils want greater responsibility for assets and services so that they can tailor these to community needs. We want to play our part in relieving the acute pressure in the housing market alongside providing sustainable infrastructure for our communities.

The resources and energy tied up in coordinating five individual councils in a relatively small county not only frustrates the effective use of public resources but also prevents the agile leadership that is critical to meet the mid 21st century challenges of shaping sustainable communities, delivering new homes and jobs, devolving power to communities, promoting economic prosperity and ensuring the health and wellbeing of residents.

Now is the time for change

The current configuration of local government within Buckinghamshire is no longer fit for purpose. Furthermore, it is not affordable. Reform will take time but, if implemented now, is achievable within existing resources and manageable without jeopardising the performance of front line services. Any delay brings further risks to the sustainability of essential services and the successful delivery of growth across the county, whilst the capacity to manage a recovery strategy will diminish.

“No change” is the highest risk strategy.
The options

Unitary government offers significant benefits for residents, communities and businesses in Buckinghamshire. Other local authorities who have made this transition have identified a variety of opportunities, including cost savings, service improvements and growth.

Three options have been considered for the future configuration of local government in Buckinghamshire based on the economic geography of the areas that make up Buckinghamshire, travel to work patterns, the urban and rural nature of the county, and population size. A detailed appraisal of these options has been undertaken and externally validated by Grant Thornton. The options considered are as follows:

<table>
<thead>
<tr>
<th>Option</th>
<th>Reasons</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1 - One Unitary Authority</td>
<td>Net 5 year revenue savings of £45.4m (£18.2m annual)</td>
<td>1</td>
</tr>
<tr>
<td>Option 2a - Two Unitary Authority</td>
<td>Net 5 year revenue savings of £17.3m (£10.3m annual)</td>
<td>2</td>
</tr>
<tr>
<td>Option 2b - Three Unitary Authorities</td>
<td>Net 5 year revenue savings of £5.6m (£5.5m annual)</td>
<td>4</td>
</tr>
<tr>
<td>Option 3 - Three Unitary Authorities + Combined Authority</td>
<td>Net 5 year revenue savings of £11.1m (£5.4m annual)</td>
<td>3</td>
</tr>
</tbody>
</table>

The financial assessment
The non-financial assessment

The options have also been evaluated against a set of non-financial criteria, based on discussions with senior civil servants at the Department for Communities and Local Government, together with similar studies that have been undertaken elsewhere within the country. In summary:

- **Option One:** A single county-wide unitary model would achieve the highest annual revenue savings for investment in local priorities, whilst offering clear accountability, simplified arrangements for partners, and a strategic focus to maximise opportunities for communities and businesses. The challenge would be to develop a model that balances strategic coordination with local need;

- **Option Two:** A multiple unitary model offers clear accountability, together with a focus on the distinctive characteristics and challenges in different parts of the county and delivery of modest savings. However, the multiple unitary options would increase complexity for local partners and present risks in terms of the disaggregation of critical child and adult safeguarding services. This option would not provide the scale and capacity to offer significant efficiencies or longer term sustainability;

- **Option Three:** A ‘Combined Authority’ option offers a potential model for balancing the benefits of multiple unitaries with county-wide scale for strategic services such as social care and strategic planning. However, this model offers the lowest level of savings and risks recreating the issues of a two tier system, with reduced local accountability. A major challenge would be designing the governance arrangements to allow quick and effective decisions and balance potentially conflicting interests to mutual benefit. The ‘Combined Authority’ model is untested in the context of replacing a two-tier system.

The non-financial appraisal is summarised in the matrix below.

<table>
<thead>
<tr>
<th>Option</th>
<th>Service Performance</th>
<th>Democratic Leadership &amp; Accountability</th>
<th>Local engagement &amp; decision making</th>
<th>Economic Growth</th>
<th>Skills &amp; Capacity</th>
<th>Engagement of supply chain (business and supply chain)</th>
<th>Coterminosity with partners (partnership working)</th>
<th>Average sustainability score</th>
<th>Total score</th>
<th>Non-Financial Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option One: Single Unitary</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1.25</td>
<td>6.25</td>
<td>1</td>
</tr>
<tr>
<td>Option Two: Multiple Unitary</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2.75</td>
<td>9.75</td>
<td>3</td>
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<tr>
<td>Option Three: Combined Authority Option</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1.75</td>
<td>7.75</td>
<td>2</td>
</tr>
</tbody>
</table>

1 - low scoring, 2- medium scoring, 3 - high scoring
The conclusion

The options appraisal has identified that a single county-wide unitary model for Buckinghamshire offers the greatest likelihood of meeting the needs of Buckinghamshire in the future. Key benefits highlighted in the options appraisal were:

- **a single point** of accountability and responsibility for the quality of all local authority services within the area, supported by a single executive function;
- **simplified** arrangements from the perspectives of the public, partners and businesses;
- **opportunities** to improve the conditions for economic growth by bringing together related services such as spatial planning, housing, transport and infrastructure;
- **enhancement** of existing county-wide social care and safeguarding services through closer connection with related services such as housing, leisure and benefits;
- **protection** of a robust platform for further health and social care integration;
- **ability** to maximise the investment over the longer term in preventative services.

The key challenge identified with this option would be to provide confidence to residents that a large single unitary council would be able to respond to distinctive local needs, respect local identity and put decision-making in the hands of local communities.

Blueprint for a new county-wide single unitary council for Buckinghamshire

Our proposition is to abolish the county council and the four district councils and establish a **brand new, county-wide single unitary council** at the forefront of modern local government, committed to improving the quality of life and wellbeing for all local residents, designed to engage effectively with each of the multiple communities county-wide, and to develop a prosperous and sustainable future for Buckinghamshire.

This section sets out a blueprint for what a new council could look like. This is for illustrative purposes; ultimately it will be for a brand new council to design its own vision, priorities and operating model.

A new vision

Our vision for the future of Buckinghamshire is to provide a new form of civic leadership fit for purpose in 2020 and beyond, one that gives local people a stronger say in the choices that affect them and enables each local community – from Buckingham to Burnham – to realise its own shared vision for the future.

Our vision is to redefine the role of the public sector from one of control and top down dialogue to one of enabling and facilitating initiative, innovation and ambition, whilst at the same time strengthening the safety net for the most vulnerable and removing the gaps that people can slip through.

Our proposal is for a brand new form of local government which builds upon the strong track record of the four district councils and the county council, whilst seizing the opportunity to design and establish new structures that ensure interests are represented at the right level, so that decisions can be taken to deliver the best outcomes.

To date it has not been possible to achieve a consensus between the county council and the district councils on the preferred end state of any reorganisation. Our proposition has been developed to reflect what we have heard from residents, businesses, parish and town councils and other key stakeholders.
Our ambition for a new county-wide single unitary council for Buckinghamshire:

- **Single voice** – speaking up on behalf of residents, businesses and partners
- **More local** – delivering an innovative locality based structure built on the ambition of our town and parish councils who are leading the way both locally and nationally, and new, legally constituted Community Boards with decision making powers
- **Better quality** – improving the quality, cohesiveness and accessibility of services, with local delivery enabled by a network of multi-agency Community Hubs
- **More efficient** – moving £18m of council tax payers money each year away from management overheads and investing it in priority, front line services

**Single Voice**

A new county-wide unitary council for Buckinghamshire, aligned with key partnership structures already in place such as the Buckinghamshire Thames Valley Local Enterprise Partnership and the Buckinghamshire NHS Clinical Commissioning Groups, would have the strategic accountability to deliver a place shaping agenda, seizing the opportunities of growth as the catalyst for change.

A new county-wide unitary council for Buckinghamshire, with a **single strategic voice**, would be able to be a powerful advocate for ensuring the opportunities and needs of Buckinghamshire shape the emerging sub-national agenda and the commitment (through the National Infrastructure Commission) to address barriers to growth. It would be able to build upon the initiative that has created England’s Economic Heartland Strategic Alliance – an emerging Sub-national Transport Board – using the ability of its civic leaders to develop momentum and deliver a change agenda. It would have the professional skills required to deliver an ambition for Buckinghamshire in a way that has not previously been possible.

**More Local**

A new county-wide unitary council for Buckinghamshire would have the confidence to enable greater empowerment at a local level. Through the implementation of new, stronger and well-resourced local area structures, transparency and accountability of decision making could be strengthened and the delivery of things that matter most to residents could be managed wherever possible at the local level. Key features could include:

- **A new offer to town and parish councils**, with flexible opportunities and support to enable them to take on responsibility for services and assets currently run by county and district councils and to deliver these far more locally – with packages tailored according to local ambition and priorities;
- **Local area planning committees**, which ensure that decisions on planning issues continue to be taken at a local level;
- **New local 'Community Boards'**, which give local Councillors the authority and the resources to take local decisions on the issues that affect local people.
Better Quality

A new county-wide unitary council for Buckinghamshire would clarify accountability and enable customer needs to be managed simply and holistically, taking a customer focused approach to supporting need at every stage of life to improve outcomes for all.

A new county-wide unitary council for Buckinghamshire would be able to deliver a single point of contact and a single website for residents, businesses and town and parish councils. The county council currently receives 680 telephone calls per month from residents trying to access district council services, with an annual cost of £34k. A single telephone number, with clear links to town and parish councils, would put an end to this frustration for residents.

A new county-wide unitary council for Buckinghamshire would be able to use its resources to develop a network of multi-agency community hubs, enabling residents to access services from a place local to them.

A new county-wide unitary council for Buckinghamshire would be able to eliminate duplication and deliver faster, lean decision-making, ensuring that Buckinghamshire remains a place in which entrepreneurs want to create the future.

More Efficient

A new county-wide unitary council for Buckinghamshire provides the greatest potential to cut bureaucracy and release efficiency savings for investment in local priorities, whilst ensuring at the same time that the safeguards valued by local communities are maintained.

A new county-wide unitary council would be able to deliver £18.2m ongoing annual net revenue savings. Transition costs of £18.4m would be affordable within existing resources and repayable within three years, resulting in a return on investment of £45m in net revenue savings over the first five years of the new council.

Together, the five councils hold up to £1bn in assets. A recent property review highlighted the potential for net capital receipts of up to £48m by rationalising the county council’s assets alone. This could be significantly enhanced by looking at the opportunities across the wider public estate.

A new county-wide unitary council would be able to ensure that the total reserves currently held by the five councils (£285m as at 1 April 2016) are effectively deployed to manage risks and invested in delivering the priorities of our residents, communities and businesses.

Council tax can be equalised at the lowest level in the first five years of a unitary, meaning council tax payers in the Chilterns, South Bucks and Aylesbury Vale would have their bills reduced to the level paid in Wycombe.

A single unitary council would not only be able to maximise the resources available to local government but would release efficiencies across county-wide partners, including housing associations and local charities, who allocate considerable resource in navigating their way through the different operating models of five councils.

Transition to Transformation

A new county-wide unitary council for Buckinghamshire would be built on the strong track record of the legacy councils, which collectively have the delivery credentials to underpin this vision, together with recent relevant experience of local government reform in areas such as Wiltshire, Durham and Shropshire.

The transition plan illustrates that a new county-wide unitary council could be in place by 1 April 2019. The establishment of a new council would be phase one of a journey, not the end in itself. It would provide a building block for a future which will be connected to growth in the region and in the UK as a whole, and offer the potential for developing a devolution deal with government in the future.

The implementation of a major change project inevitably comes with transitional costs as well as potential short term risks to service continuity. The costs will be significantly outweighed by the long term gain to local residents and businesses. Risks can be systematically mitigated, as demonstrated by evidence of successful change already managed by the councils in Buckinghamshire, and from the experience of other new county-wide unitary authorities.

Public sector reform is essential for the future of Buckinghamshire and now is the time for change.